

Australia Dossier by Maurice Hetherington and Julie Warner

Wheat planting starts

Canberra is resorting to emergency planting credits after its free trade policies have decimated the farm sector.

Farmers in Australia start sowing winter wheat as of the end of April. This year marks a historic planting season, because the farm sector is so decimated by the binge of government free trade policies, and government-approved usurious interest rates, in recent years, that banks are now cutting off credit. What financing is being provided, is not to reinstate the once-healthy Australian agricultural economy, but rather to give the world grain cartel another cycle of loot—low prices to the farmer, and scarce, high-cost food to the consumer.

The government and the cartel grain trade companies are putting out special low-interest loans, to finance the farmers to buy seed. This turn of events seems ridiculous in once-proud Australia, and reflects the extent to which free trade has broken the back of the rural economy, to the point where producers have to beg, borrow, or steal to plant their crops.

Many recent political developments reflect the growing revulsion against free trade. In the April elections, the Labour Party lost the supposedly "safe" seat of former Prime Minister Bob Hawke in Wills, near Melbourne, to an anti-free trade political novice. Later in the month, Mr. Braithwaite, a prominent member of the National Party in Queensland, quit his party over the federal National Party's support of free trade.

Farm wheat prices at present are about Aus. \$130 per ton, when over \$200 per ton is the needed level to maintain productivity. World grain shortages, in terms of minimum bush-

els needed per household, have never been lower. Yet grain cartel companies (e.g., Cargill, Continental, Louis Dreyfus, Bunge, André/Garnac) have put out the word that at the September harvest season in Australia, wheat prices will fall even lower.

Australia is one of the six regions in the world capable of producing food surpluses for export to bridge the world food gap until global production could be improved over the next few years, but the Australian food output potential is being ruined.

Last wheat crop season, Australia produced less than 10 million tons of wheat, down from a 15 million ton harvest in a decent year. Drought hit the eastern wheat belt hard. But the bad weather came on top of years of systematic cartel-imposed low prices, and free trade in all types of farm commodities.

One-third of the family farms in Australia have been lost over the past decade. Bank foreclosures on farms now are proceeding at a rate of about one each hour. Because of free trade policies, Australia, with a near-perfect climate for agriculture, is now becoming a food importer.

Last year, Australia imported \$48 million worth of sheep products. At the same time, the government was paying producers Aus. \$1.80 per head to shoot their sheep, a national, 18-month "sheep kill" policy supposedly intended to drive up producers' prices. An estimated 30 million sheep were shot. This destruction of food output potential goes right across the board for all commodities.

Australia at this point is now importing \$2 billion worth of farm products, a situation brought about mostly by free trade and the Lima Agreement, which liberalized trade. Oranges are coming in from California; bananas from Southeast Asia. Meantime, a government "tree pull" policy has induced farmers to destroy orchards. Trees have been bulldozed. Potatoes have come in from Canada, while in Australia they were left in the ground. Tomatoes have been plowed under.

The Australian pig industry has been all but decimated by pork imports from Canada. Dairy products are brought in from New Zealand. Australia has closed down most cheese factories. About \$86 million of imported cheese has come in.

The same picture prevails for livestock feedstuffs. In the 1991 drought, molasses, the main supplement for cattle feed, ran out. Because of the government's policy of relying on the "free market" and pre-selling, no provisions have been made to store food and feed stocks to span even one bad year. Molasses was imported from Thailand.

Moreover, under the pressure from the cartels for free trade, the government set aside various standard border regulations regarding quarantine, inspection, etc.

As farmers have been devastated by this onslaught, the banks are foreclosing on a vast amount of property, with the best of the property going into the hands of the big cartels or the big insurance agents. One of the biggest insurance companies in Australia, AMP, actually owns 48,000 square kilometers of ranchland.

The situation is so desperate that the Red Cross, the Salvation Army, Lifeline, and other charities have been giving out emergency stipends and other aid to rural families who are destitute.